



## SUMMARY

### Synopsis of CC Amendments

The Conference Committee increased FY07 recurring appropriations \$37.5 million and decreased appropriations \$17.7 million for a net increase of \$20 million. A 0.5 percent reduction in pay increases for all public employees was restored at a cost of \$15.5 million. The Conference Committee added \$15 million to address executive initiatives including \$4.3 million for expanded Medicaid coverage for children, \$1.4 million more for statewide trauma services, \$1 million to expand juvenile justice community services, \$2.4 million to Department of Health and General Services Department to reach the executive funding request and \$4 million to convert the New Mexico Boys School to a prison camp by January 1. This bill and Senate Bill 415 together include \$64 million of a total \$85 million in FY07 funding requested for executive initiatives.

Other additions to FY07 appropriations include \$1.25 million for inspectors at the Construction Industries Division, \$562 thousand to boost child care provider rates and \$500 thousand to expand public school advance placement programs.

The Conference Committee reduced the increase in Medicaid provider rates from \$20 million to \$16 million, reduced Medicaid \$3 million to reflect a lower cost for the federal “clawback” provision related to the prescription drug benefit, reduced public school insurance \$3 million to reflect a smaller request from the Albuquerque public school district, and “sanded” all general fund appropriations in Section 4 by 0.105 percent to reduce spending by \$5 million.

The Conference Committee increased non-recurring appropriations by a net amount of \$29 million including \$10 million for executive requests such as \$1.5 million for pre-K startup, \$1.5 million for a new drivers’ license system to enhance security, \$1 million for a proposed transmission authority, \$1 million more for job training and \$2.5 million for Corrections Department. The Conference Committee also added \$20 million to the higher education building repair initiative.

The Conference Committee eliminated a \$40 million FY07 transfer from the general fund to the Severance Tax Permanent Fund. Also, the Conference Committee restored FY07 Budget Adjustment Authority for all state agencies.

The appropriations contained in the Conference Committee report can be summarized as follows:

Agency	General Fund	Other State Funds	Internal Service Funds/InterAgency Trnsfrs	Federal Funds	Total
<b>SECTION 4 FY07 Operating Recurring:</b>					
Legislative	3,576.0	-	-	-	3,576.0
Judicial	170,291.1	15,312.2	9,492.5	4,655.7	199,751.5
General Control	158,132.3	304,894.0	689,184.3	20,721.5	1,172,932.1
Commerce & Industry	49,865.1	41,682.8	12,194.6	795.6	104,538.1
Agric., Enrgy & Ntrl Res	72,663.8	49,478.6	46,240.1	33,503.2	201,885.7
Health, Hospitals & Human Svcs	1,217,379.3	183,884.1	280,186.8	2,884,261.3	4,565,711.5
Public Safety	322,493.5	24,377.2	14,121.1	53,032.0	414,023.8
Transportation	-	412,914.4	600.0	392,928.6	806,443.0
Other Education	40,423.3	14,910.2	-	41,277.4	96,610.9
Higher Education	725,194.9	1,132,146.4	323.0	504,872.9	2,362,537.2
Public School Support	2,268,043.4	850.0	-	368,323.5	2,637,216.9
<b>Total Sec 4 Recurring</b>	<b>\$ 5,028,062.7</b>	<b>\$ 2,180,449.9</b>	<b>\$ 1,052,342.4</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,565,226.7</b>
<b>Recurring: Section 8</b>					
Higher Education Compensation	39,956.7	-	-	-	39,956.7
Compensation	35,741.7	-	-	-	35,741.7
<b>Subtotal Compensation</b>	<b>\$ 75,698.4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,698.4</b>
GSD Reductions	<b>\$ (2,000.0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,000.0)</b>
Rent Savings	<b>(400.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(400.0)</b>
Agency Sanding	<b>(5,143.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,143.6)</b>
<b>Subtotal Reductions</b>	<b>\$ (7,543.6)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,543.6)</b>
<b>TOTAL RECURRING</b>	<b>\$ 5,096,217.5</b>	<b>\$ 2,180,449.9</b>	<b>\$ 1,052,342.4</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,633,381.5</b>
<b>Recurring: Section 5&amp;6</b>					
Specials	\$ 24,002.4	\$ -	\$ -	\$ -	\$ 24,002.4
Specials - Education Lock Box	12,000.0	-	-	-	12,000.0
Supplemental & Deficiency	18,102.4	-	-	-	18,102.4
<b>Total Recurring</b>	<b>\$ 54,104.8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,104.8</b>
<b>Nonrecurring: Sections 5, 6, and 7</b>					
Specials	228,486.1	2,920.0	-	-	231,406.1
Specials - Education Lock Box	22,822.5	-	-	-	22,822.5
Supplemental & Deficiency	5,655.2	52.3	4,132.1	-	9,839.6
Data Processing	-	13,898.0	-	-	13,898.0
<b>Total Nonrecurring</b>	<b>\$ 256,963.8</b>	<b>16,870.3</b>	<b>4,132.1</b>	<b>-</b>	<b>\$ 277,966.2</b>

Synopsis of SFC Amendments

The Senate Finance Committee Amendments strike Sections 4 through 11 in their entirety and replaces with new sections and inserts a new section “Transfer Authority” allowing the governor with state board of finance approval to transfer at the end of fiscal year 2006, up to \$40 million if revenues and transfers to the general fund are not sufficient. The Senate Finance Committee amendments increased FY07 recurring general fund appropriations by \$27.5 million and decreased items in the substitute by \$21.7 million for a net increase of \$5.7 million. Significant increases were \$15 million to increase Medicaid reimbursement rates for doctors and dentists, \$3 million to maintain services for the state’s aging network, \$2 million to expand mental health services, and \$1.4 million for public health school math, science and advanced placement programs. The major decreases were a 0.5 percent reduction in public employee compensation to

reduce spending \$15.5 million and a 1 percent increase in the tuition credit to save \$2 million.

The net increase in SFC amendments for special and supplemental appropriations is \$11.5 million. Significant increases included \$1 million for the Secretary of State, \$3.7 million for the state engineer, \$1 million fore for individual development accounts, \$2 million for lambda rail (a university advanced technology consortium), a \$4 million salt cedar removal and river restoration.

In addition, Senate Finance Committee Amendments eliminated FY07 Budget Adjustment Authority for all state agencies.

The appropriations contained in the amendment can be summarized as follows:

Agency	General Fund	Other State Funds	Internal Service Funds/InterAgency Trnsfrs	Federal Funds	Total
<b>SECTION 4 FY07 Operating Recurring:</b>					
Legislative	3,576.0	-	-	-	3,576.0
Judicial	169,974.1	15,312.2	9,492.5	4,655.7	199,434.5
General Control	156,877.3	304,894.0	689,184.3	20,721.5	1,171,677.1
Commerce & Industry	48,515.1	41,682.8	12,194.6	795.6	103,188.1
Agric., Enrgy & Ntrl Res	72,338.8	49,478.6	46,157.8	33,503.2	201,478.4
Health, Hospitals & Human Svcs	1,216,240.5	183,954.1	280,186.8	2,884,261.3	4,564,642.7
Public Safety	317,462.7	24,377.2	14,121.1	53,032.0	408,993.0
Transportation	-	412,914.4	600.0	392,928.6	806,443.0
Other Education	39,338.3	14,910.2	-	41,277.4	95,525.9
Higher Education	723,371.9	1,132,146.4	323.0	504,872.9	2,360,714.2
Public School Support	2,262,655.2	850.0	-	368,323.5	2,631,828.7
<b>Total Sec 4 Recurring</b>	<b>\$ 5,010,349.9</b>	<b>\$ 2,180,519.9</b>	<b>\$ 1,052,260.1</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,547,501.6</b>
<b>Recurring: Section 8</b>					
Higher Education Compensation	36,151.3	-	-	-	36,151.3
Compensation	32,423.6	-	-	-	32,423.6
<b>Subtotal Compensation</b>	<b>\$ 68,574.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 68,574.9</b>
GSD Reductions	\$ (2,000.0)	\$ -	\$ -	\$ -	\$ (2,000.0)
GSD PERA Bldg Purchase	(400.0)	-	-	-	(400.0)
<b>Subtotal Reductions</b>	<b>\$ (2,400.0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,400.0)</b>
<b>TOTAL RECURRING</b>	<b>\$ 5,076,524.8</b>	<b>\$ 2,180,519.9</b>	<b>\$ 1,052,260.1</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,613,676.5</b>
<b>Recurring: Section 5</b>					
Specials	\$ 35,452.4	\$ -	\$ -	\$ -	\$ 35,452.4
Supplemental & Deficiency	15,220.2	-	-	-	15,220.2
<b>Total Recurring</b>	<b>\$ 50,672.6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,672.6</b>
<b>Nonrecurring: Sections 5, 6, and 7</b>					
Specials	224,344.3	2,920.0	-	-	227,264.3
Supplemental & Deficiency	5,316.2	52.3	4,132.1	-	9,500.6
Data Processing	-	13,898.0	-	-	13,898.0
<b>Total Nonrecurring</b>	<b>\$ 229,660.5</b>	<b>16,870.3</b>	<b>4,132.1</b>	<b>-</b>	<b>\$ 250,662.9</b>
<b>Nonrecurring: Section 5</b>					
Education Lock Box	\$ 2,000.0	-	-	-	\$ 2,000.0

Synopsis of Original Bill

House Appropriations and Finance Committee Substitute for House Bills 2,3,4,5,6, and 78 appropriates money from the general fund, other revenue, internal services funds/interagency transfers, and federal funds for the FY07 operation of state agencies, higher education and public schools.

Section 4, Fiscal Year 2007 Appropriations (pages 6 through 216); Section 5 Special Appropriations (pages 217 through 230); Section 6, Supplemental and Deficiency Appropriations (pages 230 through 233); Section 7, Data Processing Appropriations (pages 233 through 244); Section 8, Compensation Appropriations (pages 244 through 247) Section 9 Additional Fiscal Year 2006 Budget Adjustment Authority (pages 247 through 250); Section 10 Certain Fiscal Year 2007 Budget Adjustments Authorized (pages 250 through 258); Section 11 Appropriation Reduction (page 258); Section 12 Fund Transfers (page 258); and Section 13 Severability (page 258).

**FISCAL IMPLICATIONS**

The appropriations contained in this bill can be summarized as follows:

Agency	General Fund	Other State Funds	Internal Service Funds/InterAgency Trnsfrs	Federal Funds	Total
<b>SECTION 4 FY07 Operating Recurring:</b>					
Legislative	3,576.0	-	-	-	3,576.0
Judicial	169,824.1	15,312.2	9,492.5	4,655.7	199,284.5
General Control	156,377.3	304,894.0	689,184.3	20,721.5	1,171,177.1
Commerce & Industry	48,315.1	41,648.8	11,844.6	795.6	102,604.1
Agric., Enrgy & Ntrl Res	71,988.8	49,828.6	46,157.8	33,503.2	201,478.4
Health, Hospitals & Human Svcs	1,193,925.8	183,854.1	280,086.8	2,884,261.3	4,542,128.0
Public Safety	317,332.7	24,377.2	13,701.0	53,032.0	408,442.9
Transportation	-	412,914.4	600.0	392,928.6	806,443.0
Other Education	37,938.3	14,910.2	-	41,277.4	94,125.9
Higher Education	726,829.0	1,132,146.4	323.0	504,872.9	2,364,171.3
Public School Support	2,271,043.4	850.0	-	368,323.5	2,640,216.9
<b>Total Sec 4 Recurring</b>	<b>\$ 4,997,150.5</b>	<b>\$ 2,180,735.9</b>	<b>\$ 1,051,390.0</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,533,648.1</b>
<b>Recurring: Section 8</b>					
Higher Education Compensation	39,956.7	-	-	-	39,956.7
Compensation	35,686.6	-	-	-	35,686.6
	<b>\$ 75,643.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,643.3</b>
GSD Reductions	<b>\$ (2,000.0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,000.0)</b>
<b>TOTAL RECURRING</b>	<b>\$ 5,070,793.8</b>	<b>\$ 2,180,735.9</b>	<b>\$ 1,051,390.0</b>	<b>\$ 4,304,371.7</b>	<b>\$ 12,607,291.4</b>
<b>Recurring: Section 5</b>					
Specials	\$ 27,365.1	\$ -	\$ -	\$ -	27,365.1
Supplemental & Deficiency	15,595.2	-	-	-	15,595.2
<b>Total Recurring</b>	<b>\$ 42,960.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,960.3</b>
<b>Nonrecurring: Sections 5, 6, and 7</b>					
Specials	220,446.3	3,050.0	-	-	223,496.3
Supplemental & Deficiency	5,338.5	-	4,132.1	-	9,470.6
Data Processing	-	13,898.0	-	-	13,898.0
<b>Total Nonrecurring</b>	<b>\$ 225,784.8</b>	<b>16,948.0</b>	<b>4,132.1</b>	<b>-</b>	<b>\$ 246,864.9</b>
<b>Nonrecurring: Section 5</b>					
Education Lock Box	<b>\$ 2,000.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 2,000.0</b>

Unless otherwise indicated, appropriations from the general fund revert to the general fund at the end of FY07 unless otherwise indicated or provided by law. Exceptions include higher education institutions and public schools.

**RELATIONSHIP**

General fund operating appropriations for most legislative agencies are contained in House Bill 1, the Feed Bill.

CTF/mt:yr

**Attachment**

Public Employee Compensation FY07

	1% General Fund Cost	HAFCS Proposed Increase	HAFCS General Fund Impact	SFC Proposed Increase	SFC General Fund Impact	Conf Com Proposed Increase	Conference Committee	SB 415 General Fund Impact
<b>STATE AGENCIES</b>								
<b>Legislative:</b>								
Legislative employees	100.4	5.0	502.1	4.5	451.9	5.00	502.1	
<b>Judicial:</b>								
Justices and judges	140.1	5.0	700.7	4.5	630.6	5.00	700.7	
Judicial employees	631.2	5.0	3,155.9	4.5	2,840.3	5.00	3,155.9	
Magistrate judges	50.4	5.0	252.1	4.5	226.9	5.00	252.1	
District attorneys	16.4	5.0	82.0	4.5	73.8	5.00	82.0	
District attorney employees	427.3	5.0	2,136.4	4.5	1,922.8	5.00	2,136.4	
Total Judicial	1,265.4		6,327.1		5,694.4		6,327.1	
<b>Executive:</b>								
Executive classified:								
Union technical occupation groups	2,761.8	5.0	13,808.8	4.5	12,427.9	5.00	13,808.8	
Nonunion technical occupation groups	1,070.2	5.0	5,351.2	4.5	4,816.1	5.00	5,351.2	
Managers	725.0	5.0	3,625.0	4.5	3,262.5	5.00	3,625.0	
Motor transportation officers	13.0							
Special investigation officers	18.3							
Subtotal executive classified	4,588.2		22,784.9		20,506.4		22,784.9	
Executive nonclassified:								
Executive exempt	328.5	5.0	1,642.6	4.5	1,478.3	5.00	1,642.6	
Executive Exempt Teachers:								
Children, Youth and Families	23.7	4.5	106.7	4.5	106.7	5.00	118.6	
Commission for the Blind	4.8				19.0	5.00	23.8	
Department of Health	3.5	4.5	15.6	4.5	15.6	5.00	17.3	
Corrections Department	35.4	4.5	159.1	4.5	159.1	5.00	176.8	
3rd tier raise to 45k			9.2		9.2		9.2	
Executive exempt teachers	67.3		290.6		309.7		345.7	
State police	281.6							
Subtotal executive nonclassified	677.4		1,933.2		1,788.0		1,988.3	
Total Executive	5,265.6		24,718.1		22,294.4		24,773.2	
<b>Total State Agencies</b>	<u>6,631.4</u>		<u>31,547.3</u>		<u>28,440.7</u>		<u>31,602.4</u>	
<b>PUBLIC SCHOOLS</b>								
Teachers	11,169.5	5.0	55,847.7	4.5	50,262.9	5.00	55,847.7	
Other instructional staff	1,929.7	5.0	9,648.5	4.5	8,683.6	5.00	9,648.5	
EA's in classroom	749.8	5.0	3,749.1	4.5	3,374.2	5.00	3,749.1	
Principals	832.9	5.0	4,164.3	4.5	3,747.9	5.00	4,164.3	
All other school employees	2,976.1	5.0	14,880.5	4.5	13,392.5	5.00	14,880.5	
Transportation employees	415.3	5.0	2,076.4	4.5	1,868.8	5.00	2,076.4	
<b>Total Direct Compensation Public Schools</b>	<u>18,073.3</u>		<u>90,366.6</u>		<u>81,329.9</u>		<u>90,366.6</u>	
<b>HIGHER EDUCATION</b>								
Faculty	3,166.8	4.5	14,250.6	4.0	12,667.2	4.50	14,250.6	
Staff (includes ABE)	4,444.0	4.5	19,998.0	4.0	17,776.0	4.50	19,998.0	
<b>Total Higher Education</b>	<u>7,610.8</u>		<u>34,248.6</u>		<u>30,443.2</u>		<u>34,248.6</u>	
<b>TOTAL DIRECT COMPENSATION ALL PUBLIC EMPLOYEES</b>	<b>32,315.5</b>		<b>156,162.5</b>		<b>140,213.8</b>		<b>156,217.6</b>	

July, 2006 and 1.5 to 4.5% January 2007.

#2 footnote: Full annual impact in FY08 is \$22.8 million.

House Bill 2,3,4,5,6 & 78/HAFCS/aSFC/aCC – Page 8

ADDITIONAL SPECIAL DIRECT COMPENSATION RECOMMENDATIONS (SECTION 8)								
Judges and Justices		2.4	336.3	2.4	336.3	2.40	336.3	
Magistrates		2.4	121.0	2.4	121.0	2.40	121.0	
Motor Transportation Officers (DPS)		10.0	129.6	9.5	123.2	10.00	129.6	82.9
Special Investigation Officers (DPS)		10.0	182.6	9.5	173.5	10.00	182.6	116.8
State Police Officers (DPS)		10.0	2,815.6	9.5	2,674.8	10.00	2,815.6	1,800.3
Probation and Parole Officers (Corrections)		3.0	423.1	3.0	423.1	3.00	423.1	
Librarians, Librarian Assts, Librarian Techs (Cultural Affairs)		3.0	56.7	3.0	56.7	3.00	56.7	
Dispatchers (DPS)		3.0	74.2	3.0	74.2	3.00	74.2	
<b>Total Special Compensation Recommendation</b>			4,139.2		3,982.8		4,139.2	\$ 2,000
ADDITIONAL SPECIAL EDUCATION COMPENSATION RECOMMENDATIONS (SECTION 4 )								
Teacher 3rd tier raise to 45k (Public Ed)			6,848.5		7,496.9		6,848.5	
EA (Public Ed)		4.5	3,374.2	4.5	3,374.2	4.50	3,374.2	
<b>Total Special Education Compensation Recommendation</b>			10,222.7		10,871.1		10,222.7	
ADDITIONAL SPECIAL BENEFITS RECOMMENDATIONS (SECTION 4 )								
<b>Executive Exempt Teachers</b>								
ERB (% of direct pay) 2007		0.75	50.5	0.75	50.5	0.75	50.5	
ERB (% of direct pay) 2008 advance		0.75	50.5	0.75	50.5	0.75	50.5	
			100.9		100.9		100.9	
<b>Public Education Benefit Adjustment</b>								
ERB (% of direct pay) 2007		0.75	13,555.0	0.75	13,555.0	0.75	13,555.0	
ERB (% of direct pay) 2008 advance		0.75	13,555.0	0.75	13,555.0	0.75	13,555.0	
Subtotal Public Schools benefits			27,110.0		27,110.0		27,110.0	
<b>Higher Education Benefit Adjustment</b>								
ERB (% of direct pay) 2007		0.75	5,708.1	0.75	5,708.1	0.75	5,708.1	
ERB (% of direct pay) 2008 accelerated		0.75	5,708.1	0.75	5,708.1	0.75	5,708.1	
Subtotal higher Education Benefits			11,416.2		11,416.2		11,416.2	
<b>Total Special Benefits Recommendation</b>			38,627.1		38,627.1		38,627.1	
<b>TOTAL COMPENSATION RECOMMENDATION (direct and indirect)</b>			209,151.5		193,694.8		209,206.6	2,000